# NDPERS
# 457
# Companion Plan
# Quarterly Report
# 3rd Quarter
# 6/30/2006 – 9/30/2006

North Dakota Public Employees Retirement System
400 E Bdwy, Suite 505
Box 1657
Bismarck, ND 58502

# NDPERS 401(a) Defined Contribution Plan & 457 Companion Plan - Fidelity

**INITIAL OFFERING:**

| | | | |
|---|---|---|---|
| Fidelity Equity-Income | Fidelity Spartan US Equity Index<br>Fidelity Dividend Growth | Fidelity Growth Company<br>Fidelity Blue Chip Growth | **LARGE** |
| Mutual Shares A | Dreyfus Mid Cap Index<br>Fidelity Spartan Ext Mkt Index | Fidelity Mid Cap Stock | **MEDIUM** |
| Allianz NFJ Small Cap Value | Dreyfus Small Cap Index | MSIF Small Co Growth B | **SMALL** |
| **VALUE** | **BLEND** | **GROWTH** | |

BALANCED FUND: Fidelity Puritan Fund
INCOME FUNDS: Fidelity Managed Income Portfolio
BOND FUNDS: PIMCO Total Return Bond Fund
INTERNATIONAL FUNDS: Fidelity Diversified International (Blend Bias)

LIFESTYLE FUNDS:

| | | |
|---|---|---|
| Fidelity Freedom Income | | |
| Fidelity Freedom 2000 | Fidelity Freedom 2015 | Fidelity Freedom 2030 |
| Fidelity Freedom 2005 | Fidelity Freedom 2020 | Fidelity Freedom 2035 |
| Fidelity Freedom 2010 | Fidelity Freedom 2025 | Fidelity Freedom 2040 |

**FUND STYLE CHANGES:**

| | | | |
|---|---|---|---|
| Mutual Shares A | | | **LARGE** |
| | | | **MEDIUM** |
| | | | **SMALL** |
| **VALUE** | **BLEND** | **GROWTH** | |

INCOME FUNDS:
BOND FUNDS:
INTERNATIONAL FUNDS: Fidelity Diversified International (Growth Bias)
BALANCED FUNDS:
LIFESTYLE FUNDS:

**CURRENT LINEUP:**

| | | | |
|---|---|---|---|
| Fidelity Equity-Income<br>Mutual Shares A | Fidelity Spartan US Equity Index<br>Fidelity Dividend Growth | Fidelity Growth Company<br>Fidelity Blue Chip Growth | **LARGE** |
| | Dreyfus Mid Cap Index<br>Fidelity Spartan Ext Mkt Index | Fidelity Mid Cap Stock | **MEDIUM** |
| Allianz NFJ Small Cap Value | Dreyfus Small Cap Index | MSIF Small Co Growth B | **SMALL** |
| **VALUE** | **BLEND** | **GROWTH** | |

# *NDPERS Investment Benchmarks - 3rd Quarter 2006*

| | Quarter | Y-T-D | 1-Year | 3-Year | 5-Year |
|---|---|---|---|---|---|
| Stable Value Fund | | | | | |
| ***Fidelity Managed Income Portfolio*** | **1.03%** | **2.98%** | **3.94%** | **3.97%** | **4.37%** |
| GIC 5 Year | 1.24% | 2.48% | 4.97% | 4.97% | 5.11% |
| Fixed Income Fund | | | | | |
| ***PIMCO Total Return Bond Fund - PTRAX*** | **3.82%** | **2.85%** | **3.28%** | **3.69%** | **5.12%** |
| Lehman Aggregate Bond Index | 3.81% | 3.06% | 3.67% | 3.38% | 4.81% |
| Taxable Bond Fund Universe | 3.36% | 3.19% | 3.70% | 4.68% | 6.21% |
| Balanced Fund | | | | | |
| ***Fidelity Puritan - FPURX*** | **5.31%** | **8.74%** | **11.10%** | **11.07%** | **8.20%** |
| 60% Large Cap Value Univ & 40% Taxable Bond Universe | 4.43% | 7.33% | 8.63% | 10.49% | 7.64% |
| 60% Russell 3000 Value & 40% Lehman Agg Bond Index | 5.05% | 9.13% | 10.20% | 11.78% | 8.63% |
| Large Cap Equities - Value | | | | | |
| ***Fidelity Equity-Income - FEQIX*** | **6.15%** | **11.52%** | **14.90%** | **14.49%** | **9.09%** |
| Russell 1000 Value Index | 6.22% | 13.16% | 14.62% | 17.25% | 10.73% |
| Large Cap Value Fund Universe | 5.15% | 10.09% | 11.92% | 14.36% | 8.60% |
| Large Cap Equities - Blend | | | | | |
| ***Fidelity Spartan US Equity Index - FUSEX*** | **5.65%** | **8.49%** | **10.74%** | **12.20%** | **6.86%** |
| ***Fidelity Dividend Growth - FDGFX*** | **7.03%** | **8.33%** | **11.97%** | **9.35%** | **5.39%** |
| S&P 500 Index | 5.67% | 8.53% | 10.79% | 12.30% | 6.97% |
| Large Cap Blend Fund Universe | 4.34% | 6.85% | 9.14% | 11.62% | 6.59% |
| Large Cap Equities - Growth | | | | | |
| ***Fidelity Growth Company - FDGRX*** | **0.30%** | **1.01%** | **7.17%** | **12.08%** | **8.21%** |
| Russell 3000 Growth Index | 3.44% | 3.11% | 6.05% | 8.64% | 4.83% |
| ***Fidelity Blue Chip Growth - FBGRX*** | **4.26%** | **1.34%** | **4.18%** | **7.08%** | **3.42%** |
| Russell 1000 Growth Index | 3.94% | 2.97% | 6.04% | 8.35% | 4.42% |
| Large Cap Growth Fund Universe | 2.55% | 1.21% | 4.59% | 8.59% | 4.49% |
| Mid Cap Equities - Value | | | | | |
| ***Franklin Mutual Shares A - TESIX*** | **3.88%** | **9.37%** | **12.35%** | **15.10%** | **10.27%** |
| Russell Mid Cap Value | 3.53% | 10.80% | 12.27% | 21.17% | 16.63% |
| Mid Cap Value Fund Universe | 2.30% | 7.42% | 9.13% | 16.37% | 13.10% |
| Mid Cap Equities - Blend | | | | | |
| ***Dreyfus Mid Cap Index - PESPX*** | **-1.20%** | **2.83%** | **6.13%** | **14.73%** | **12.54%** |
| S&P Mid Cap 400 | -1.08% | 3.12% | 6.56% | 15.24% | 13.08% |
| ***Fidelity Spartan Extended Mkt Index - FSEMX*** | **0.19%** | **5.81%** | **8.64%** | **15.97%** | **13.99%** |
| Wilshire 4500 Index | 0.17% | 5.71% | 8.57% | 16.00% | 14.18% |
| Mid Cap Blend Fund Universe | 1.11% | 5.91% | 8.16% | 14.77% | 12.35% |
| Mid Cap Equities - Growth | | | | | |
| ***Fidelity Mid Cap Stock - FMCSX*** | **0.14%** | **9.36%** | **14.68%** | **15.83%** | **10.24%** |
| Russell Mid Cap Growth | 0.89% | 3.47% | 7.03% | 14.53% | 12.01% |
| Mid Cap Growth Fund Universe | -0.84% | 2.04% | 5.23% | 12.41% | 8.84% |

**Fund Returns in RED do not meet both benchmarks.** **Fund Returns in BLACK meet both benchmarks.**

## *NDPERS Investment Benchmarks - 3rd Quarter 2006*

| | Quarter | Y-T-D | 1-Year | 3-Year | 5-Year |
|---|---|---|---|---|---|
| Small Cap Equities - Value | | | | | |
| ***Allianz NFJ Small Cap Value - PVADX*** | **0.41%** | **9.41%** | **7.40%** | **19.41%** | **17.73%** |
| Russell 2000 Value Index | 2.55% | 13.25% | 14.01% | 19.04% | 16.96% |
| Small Value Fund Universe | 0.22% | 7.33% | 8.04% | 16.60% | 15.66% |
| Small Cap Equities - Blend | | | | | |
| ***Dreyfus Small Cap Index - DISSX*** | **-1.00%** | **6.43%** | **6.68%** | **16.95%** | **14.59%** |
| Russell 2000 Index | 0.44% | 8.69% | 9.92% | 15.48% | 13.78% |
| S & P 600 Index | -0.88% | 6.75% | 7.16% | 17.40% | 15.05% |
| Small Blend Fund Universe | -0.76% | 6.18% | 7.62% | 15.63% | 13.63% |
| Small Cap Equities - Growth | | | | | |
| ***MSI Small Co Growth B - MSSMX*** | **-2.40%** | **0.29%** | **4.87%** | **14.71%** | **13.91%** |
| Russell 2000 Growth Index | -1.76% | 4.21% | 5.88% | 11.81% | 10.15% |
| Small Growth Fund Universe | -2.43% | 2.31% | 4.19% | 10.93% | 9.07% |
| International Equity Funds | | | | | |
| ***Fidelity Diversified International - FDIVX*** | **3.07%** | **11.59%** | **17.37%** | **21.71%** | **17.17%** |
| MSCI EAFE | 0.70% | 10.16% | 26.56% | 23.94% | 10.02% |
| International Stock Fund Universe | 2.50% | 12.27% | 19.83% | 23.78% | 19.39% |
| Asset Allocation Funds: | | | | | |
| ***Fidelity Freedom Income - FFFAX*** | **2.58%** | **3.75%** | **5.12%** | **4.65%** | **4.22%** |
| Income Benchmark | 2.93% | 4.41% | 5.52% | 5.34% | 4.80% |
| ***Fidelity Freedom 2000 - FFFBX*** | **2.62%** | **3.70%** | **5.21%** | **5.14%** | **4.65%** |
| 2000 Benchmark | 3.02% | 4.59% | 5.93% | 5.90% | 4.99% |
| ***Fidelity Freedom 2005 - FFFVX*** | **2.96%** | **4.59%** | **6.84%** | **N/A** | **N/A** |
| 2005 Benchmark | 3.53% | 5.85% | 8.49% | 9.16% | 6.71% |
| ***Fidelity Freedom 2010 - FFFCX*** | **3.06%** | **4.70%** | **7.01%** | **8.02%** | **6.67%** |
| 2010 Benchmark | 3.62% | 5.94% | 8.60% | 9.38% | 6.86% |
| ***Fidelity Freedom 2015 - FFVFX*** | **3.10%** | **5.10%** | **7.94%** | **N/A** | **N/A** |
| 2015 Benchmark | 3.74% | 6.49% | 9.57% | 10.63% | 7.47% |
| ***Fidelity Freedom 2020 - FFFDX*** | **3.18%** | **5.52%** | **8.71%** | **10.73%** | **8.05%** |
| 2020 Benchmark | 3.84% | 7.06% | 10.60% | 11.96% | 8.02% |
| ***Fidelity Freedom 2025 - FFTWX*** | **3.15%** | **5.57%** | **8.97%** | **N/A** | **N/A** |
| 2025 Benchmark | 3.82% | 7.27% | 11.01% | 12.42% | 8.20% |
| ***Fidelity Freedom 2030 - FFFEX*** | **3.24%** | **5.93%** | **9.59%** | **12.04%** | **8.52%** |
| 2030 Benchmark | 3.81% | 7.77% | 11.96% | 13.56% | 8.56% |
| ***Fidelity Freedom 2035 - FFTHX*** | **3.15%** | **5.97%** | **9.76%** | **N/A** | **N/A** |
| 2035 Benchmark | 3.81% | 7.81% | 12.00% | 13.62% | 8.61% |
| ***Fidelity Freedom 2040 - FFFFX*** | **3.25%** | **6.23%** | **10.02%** | **12.88%** | **8.86%** |
| 2040 Benchmark | 3.79% | 8.01% | 12.39% | 14.03% | 8.81% |
| ***Fidelity Freedom 2045 - FFFGX*** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| 2040 Benchmark | 3.79% | 8.01% | 12.39% | 14.03% | 8.81% |
| ***Fidelity Freedom 2050 - FFFHX*** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| 2040 Benchmark | 3.79% | 8.01% | 12.39% | 14.03% | 8.81% |

Income Benchmark is comprised of 20% Wilshire 5000, 35% LB Agg, 5% ML HY Bond, 40% 3 Month T-Bill
2000 Benchmark is comprised of 25% Wilshire 5000, 1% MSCI EAFE, 36% LB Agg, 2% ML HY Bond, 36% 3 Month T-Bill
2005 Benchmark is comprised of 40% Wilshire 5000, 8% MSCI EAFE, 35% LB Agg, 5% ML HY Bond, 12% 3 Month T-Bill
2010 Benchmark is comprised of 42% Wilshire 5000, 8% MSCI EAFE, 36% LB Agg, 5% ML HY Bond, 9% 3 Month T-Bill
2015 Benchmark is comprised of 49% Wilshire 5000, 10% MSCI EAFE, 30% LB Agg, 7% ML HY Bond, 4% 3 Month T-Bill
2020 Benchmark is comprised of 58% Wilshire 5000, 12% MSCI EAFE, 23% LB Agg, 7% ML HY Bond
2025 Benchmark is comprised of 60% Wilshire 5000, 13% MSCI EAFE, 19% LB Agg, 8% ML HY Bond
2030 Benchmark is comprised of 68% Wilshire 5000, 15% MSCI EAFE, 10% LB Agg, 7%ML HY Bond
2035 Benchmark is comprised of 68% Wilshire 5000, 15% MSCI EAFE, 9% LB Agg, 8% ML HY Bond
2040 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond
2045 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond
2050 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond

| | | | | | |
|---|---|---|---|---|---|
| Wilshire 5000 Index | 4.47% | 7.99% | 10.38% | 13.25% | 8.63% |
| MSCI EAFE | 0.70% | 10.16% | 26.56% | 23.94% | 10.02% |
| Lehman Aggregate Bond Index | 3.81% | 3.06% | 3.67% | 3.38% | 4.81% |
| ML High Yield Bond Fund Index | 4.04% | 7.17% | 7.90% | 8.92% | 10.13% |
| 3 Month T-Bill Index | 1.24% | 3.46% | 4.41% | 2.64% | 2.22% |
| Russell 3000 Value Index | 5.88% | 13.18% | 14.55% | 17.38% | 11.18% |

**Fund Returns in RED do not meet both benchmarks.** **Fund Returns in BLACK meet both benchmarks.**

# *NDPERS Mutual Fund Research - 09/30/2006*

## Large Value

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity Puritan | FPURX | 24.4 Billion | 4/16/1947 | 6 Years | 0.62% | 1109 | 44% | 14.2 | 38.0 Bil | 4-Stars | 20 | 15 | 5.31 | 11.10 | 11.07 | 8.20 | 8.78 | | | | 5.78 | 1.34 |
| Fidelity Equity-Income | FEQIX | 28.0 Billion | 5/16/1966 | 13 Years | 0.67% | 244 | 19% | 14.2 | 46.8 Bil | 3-Stars | 49 | 40 | 6.15 | 14.90 | 14.49 | 9.09 | 9.48 | 93 | 1.04 | 1.66 | 8.34 | 1.32 |

## Large Blend

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity Spartan US Equity Index | FUSEX | 25.2 Billion | 3/6/1990 | Team | 0.10% | 503 | 6% | 14.7 | 47.2 Bil | 3-Stars | 35 | 38 | 5.65 | 10.74 | 12.20 | 6.86 | 8.42 | 100 | 1.00 | -0.07 | 7.71 | 1.16 |
| Fidelity Dividend Growth | FDGFX | 16.2 Billion | 4/27/1993 | 9 Years | 0.66% | 99 | 26% | 14.3 | 63.8 Bil | 3-Stars | 81 | 77 | 7.03 | 11.97 | 9.35 | 5.39 | 10.12 | 85 | 0.93 | -2.03 | 7.83 | 0.82 |
| Fidelity Diversified International | FDIVX | 42.1 Billion | 12/27/1991 | 5 Years | 1.07% | 380 | 41% | 15.5 | 21.9 Bil | 5-Stars | 17 | 7 | 3.07 | 17.37 | 21.71 | 17.17 | 12.82 | | | | 10.84 | 1.61 |

## Large Growth

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity Growth Company | FDGRX | 28.1 Billion | 1/17/1983 | 9 Years | 0.96% | 286 | 50% | 22.1 | 16.2 Bil | 4-Stars | 13 | 13 | 0.30 | 7.17 | 12.08 | 8.21 | 9.01 | 70 | 1.32 | -2.62 | 12.17 | 0.76 |
| Fidelity Blue Chip Growth | FBGRX | 20.2 Billion | 12/31/1987 | 11 Years | 0.64% | 169 | 29% | 18.0 | 45.1 Bil | 3-Stars | 67 | 62 | 4.26 | 4.18 | 7.08 | 3.42 | 5.81 | 93 | 1.04 | -5.08 | 8.32 | 0.52 |

## Medium Value

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Franklin Mutual Shares A | TESIX | 19.2 Billion | 11/11/1996 | 3 Years | 1.11% | 297 | 22% | 14.1 | 21.9 Bil | 4-Stars | 22 | 15 | 3.88 | 12.35 | 15.10 | 10.27 | N/A | 76 | 0.72 | 4.97 | 6.33 | 1.80 |

## Medium Blend

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dreyfus Mid Cap Index | PESPX | 2.2 Billion | 6/19/1991 | Team | 0.50% | 405 | 20% | 15.3 | 3.4 Bil | 3-Stars | 45 | 37 | -1.20 | 6.13 | 14.73 | 12.54 | 12.78 | 75 | 1.21 | 0.50 | 10.83 | 1.06 |
| Fidelity Spartan Extended Mkt Index | FSEMX | 2.3 Billion | 11/5/1997 | Team | 0.10% | 3608 | 13% | 17.0 | 2.3 Bil | 3-Stars | 29 | 22 | 0.19 | 8.64 | 15.97 | 13.99 | N/A | 74 | 1.31 | 0.79 | 11.78 | 1.07 |

## Medium Growth

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity Mid-Cap Stock | FMCSX | 12.1 Billion | 3/29/1994 | 1 Years | 0.72% | 171 | 74% | 18.5 | 6.4 Bil | 4-Stars | 17 | 33 | 0.14 | 14.68 | 15.83 | 10.24 | 12.21 | 68 | 1.43 | -0.16 | 13.41 | 0.95 |

## Small Value

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Allianz NFJ Small Cap Value Admin | PVADX | 4.0 Billion | 11/1/1995 | 13 Years | 1.11% | 119 | 32% | 13.3 | 1.7 Bil | 4-Stars | 12 | 22 | 0.41 | 7.40 | 19.41 | 17.73 | 13.84 | 63 | 1.15 | 5.14 | 11.16 | 1.39 |

## Small Blend

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dreyfus Small Cap Index | DISSX | 833 Million | 6/30/1997 | Team | 0.50% | 600 | 14% | 16.3 | 1.2 Bil | 4-Stars | 30 | 40 | -1.00 | 6.68 | 16.95 | 14.59 | N/A | 66 | 1.40 | 1.02 | 13.36 | 1.02 |

## Small Growth

| Fund | Symbol | Assets | Inception | Manager Tenure | Expense Ratio | Stocks | Turnover | P/E | Median Mkt Cap | Morn-Star Rating | Category Rank 3 - Year | 5 - Year | 3-month | Average Return 1-Year | 3-Year | 5-Year | 10-Year | Standard=S&P 500 Index R-Squared | Beta | Alpha | Standard Deviation | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Morgan Stanley Small Cap Growth B | MSSMX | 1.8 Billion | 1/2/1996 | Team | 1.29% | 74 | 73% | 25.7 | 1.2 Bil | 4-Stars | 15 | 11 | -2.40 | 4.87 | 14.71 | 13.91 | 12.44 | 57 | 1.40 | -0.80 | 14.83 | 0.83 |

# Lifestyle / Others

| | | | | Manager | Expense | | | | Median | Morn-Star | Category Rank | | | Average Return | | | | Standard=S&P 500 Index | | | Standard | Sharpe |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund | Symbol | Assets | Inception | Tenure | Ratio | Stocks | Turnover | P/E | Mkt Cap | Rating | 3 - Year | 5 - Year | 3-month | 1-Year | 3-Year | 5-Year | 10-Year | R-Squared | Beta | Alpha | Deviation | Ratio |
| Fidelity Managed Income Portfolio | | 8.1 Billion | 9/7/1989 | 15 Years | 0.55% | | | | | | | | 1.03 | 3.94 | 3.97 | 4.37 | 5.13 | | | | | |
| PIMCO Total Return Bond Fund | PTRAX | 97.3 Billion | 9/8/1994 | 8 Years | 0.68% | | 470% | | 70.7 Bil | 5-Stars | 22 | 18 | 3.82 | 3.28 | 3.69 | 5.12 | 6.86 | | | | 3.16 | 0.25 |
| Fidelity Freedom Income | FFFAX | 2.2 Billion | 10/17/1996 | 9 Years | 0.51% | 20 | 18% | 17.6 | 42.7 Bil | 3-Stars | 79 | 76 | 2.58 | 5.12 | 4.65 | 4.22 | N/A | | | | 2.18 | 0.78 |
| Fidelity Freedom 2000 | FFFBX | 1.6 Billion | 10/17/1996 | 9 Years | 0.52% | 25 | 20% | 17.5 | 37.7 Bil | 3-Stars | 74 | 65 | 2.62 | 5.21 | 5.14 | 4.65 | N/A | | | | 2.52 | 0.85 |
| Fidelity Freedom 2005 | FFFVX | 0.6 Billion | 11/6/2003 | 9 Years | 0.62% | 25 | 4% | 17.4 | 35.1 Bil | N/A | N/A | N/A | 2.96 | 6.84 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fidelity Freedom 2010 | FFFCX | 10.8 Billion | 10/17/1996 | 9 Years | 0.62% | 25 | 8% | 17.5 | 35.1 Bil | 4-Stars | 32 | 35 | 3.06 | 7.01 | 8.02 | 6.67 | N/A | | | | 4.59 | 1.07 |
| Fidelity Freedom 2015 | FFVFX | 3.1 Billion | 11/6/2003 | 9 Years | 0.67% | 25 | 1% | 17.4 | 35.1 Bil | N/A | N/A | N/A | 3.10 | 7.94 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fidelity Freedom 2020 | FFFDX | 15.2 Billion | 10/17/1996 | 9 Years | 0.70% | 25 | 4% | 17.4 | 25.4 Bil | 4-Stars | 39 | 46 | 3.18 | 8.71 | 10.73 | 8.05 | N/A | | | | 6.64 | 1.13 |
| Fidelity Freedom 2025 | FFTWX | 2.8 Billion | 11/6/2003 | 9 Years | 0.72% | 23 | 1% | 17.4 | 35.1 Bil | N/A | N/A | N/A | 3.15 | 8.97 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fidelity Freedom 2030 | FFFEX | 9.4 Billion | 10/17/1996 | 9 Years | 0.74% | 23 | 5% | 17.4 | 25.2 Bil | 3-Stars | 64 | 64 | 3.24 | 9.59 | 12.04 | 8.52 | N/A | | | | 7.74 | 1.14 |
| Fidelity Freedom 2035 | FFTHX | 1.6 Billion | 11/6/2003 | 9 Years | 0.75% | 23 | 1% | 17.4 | 35.1 Bil | N/A | N/A | N/A | 3.15 | 9.76 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fidelity Freedom 2040 | FFFFX | 4.5 Billion | 9/6/2000 | 3 Years | 0.76% | 23 | 4% | 17.4 | 26.8 Bil | 3-Stars | 51 | 55 | 3.25 | 10.02 | 12.88 | 8.86 | N/A | | | | 8.34 | 1.15 |
| Fidelity Freedom 2045 | FFFGX | 0.1 Billion | 9/6/2006 | 3 Years | 0.79% | 23 | 4% | 17.4 | 26.8 Bil | N/A | N/A | N/A | 3.25 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fidelity Freedom 2050 | FFFHX | 0.1 Billion | 9/6/2006 | 3 Years | 0.79% | 23 | 4% | 17.4 | 26.8 Bil | N/A | N/A | N/A | 3.14 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**R-squared** - This compares a fund's performance to a given index. If R-squared is 100, the fund moves in lockstep with the index to which it is being compared. Generally, a higher R-squared will indicate a more useful beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance.

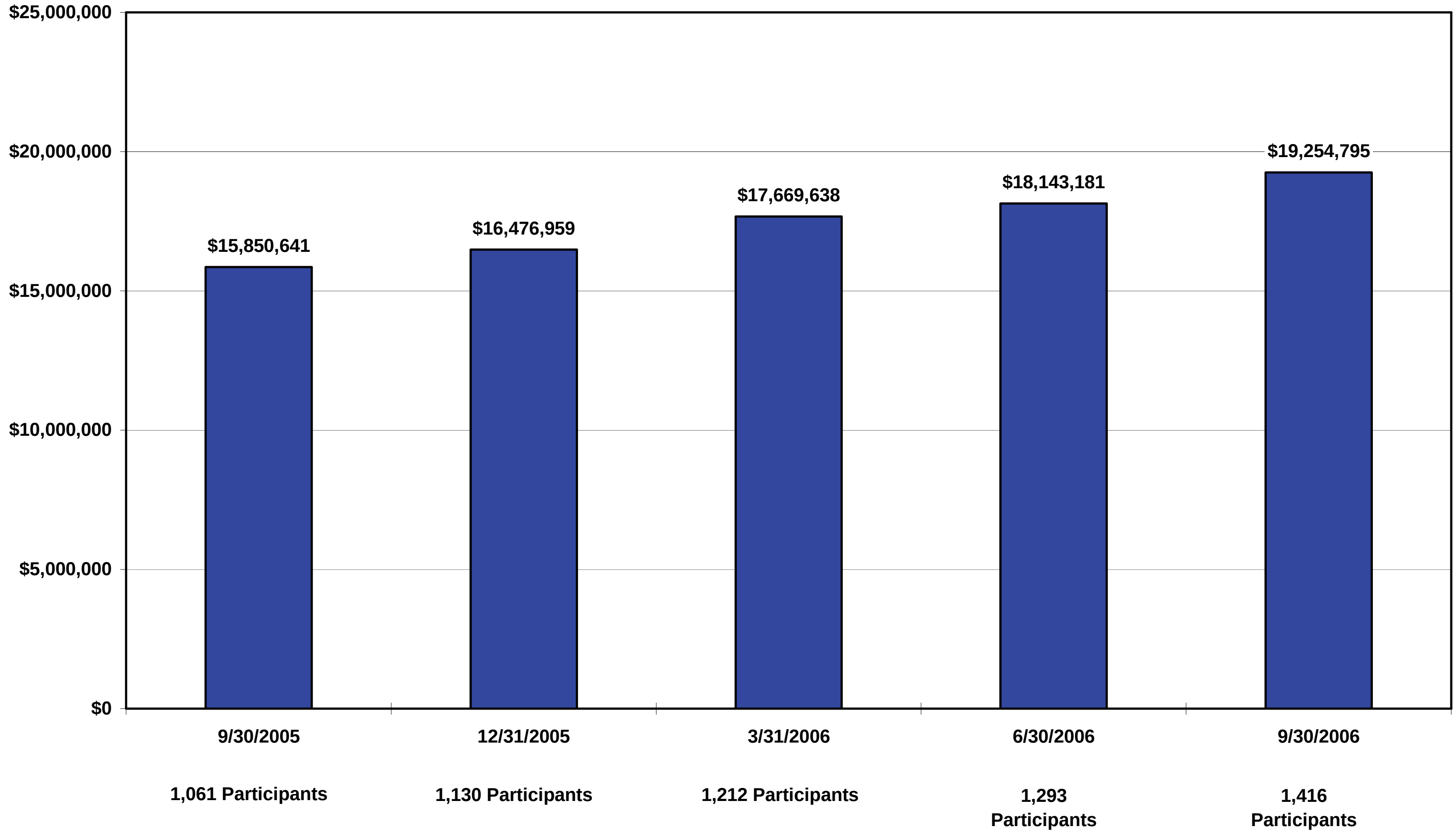
**Beta** - This compares a fund's volatility to a given index. If beta is greater than 1, the fund is more volatile than the index to which it is being compared. If beta is lower than 1, the fund is less volatile than the index. If a fund's R-squared is low, beta is less reliable as a predictor of volatility.

**Alpha** - This is a measure of risk-adjusted performance. The higher a fund's alpha, the better it has done. A fund's alpha is only reliable when its R-squared is relatively high.

**Standard Deviation** - The higher this number is, the more volatile the fund's returns have been. It indicates how much the fund has deviated from its mean total return over the past three years.

**Sharpe Ratio** - This measure combines standard deviation and mean total return to show a risk-adjusted measure of the fund's performance. The higher this number is, the better. As a rule of thumb, a Sharpe ratio of more than 1.00 is very good.

# Plan Assets Under Management at Fidelity



# Investment Options

More Conservative — Potentially less investment risk and more inflation risk

More Aggressive — Potentially more investment risk and less inflation risk

| Money Market | Stable Value | Fixed Income | Balanced | Domestic Equity | International | Specialty | Company Stock |
|---|---|---|---|---|---|---|---|
| | Fid Mgd Inc Port | Pimco Tot Return Adm | Fid Puritan | Fid Growth Company | Fid Diversified Intl | | |
| | | | | Spartan® U.S. Equity Index | | | |
| | | | | Fid Equity Income | | | |
| | | | | Msi Sm Co Growth B | | | |
| | | | | Fidelity Low Pr Stk | | | |
| | | | | Fid Mid Cap Stock | | | |
| | | | | Allnz Nfj Smcpval Ad | | | |
| | | | | Dreyus Mid Cap Index | | | |
| | | | | Fid Blue Chip Growth | | | |
| | | | | Fid Dividend Growth | | | |
| | | | | Dreyus Small Cap Index | | | |

Other Investment Options:

Fid Freedom Income®, Fidelity Freedom 2000®, Fidelity Freedom 2005®, Fidelity Freedom 2010®, Fidelity Freedom 2015®, Fidelity Freedom 2020®, Fidelity Freedom 2025®, Fidelity Freedom 2030®, Fidelity Freedom 2035®, Fidelity Freedom 2040®

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based the options' Morningstar categories (Large Value, Mid-Cap Value, Small Value, Large Blend, Mid-Cap Blend, Small Blend, Large Growth, Mid-Cap Growth, Small Growth) as of 12/31/01. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. For more information on the investment options in the Domestic Equity category, visit www.Morningstar.com. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions.

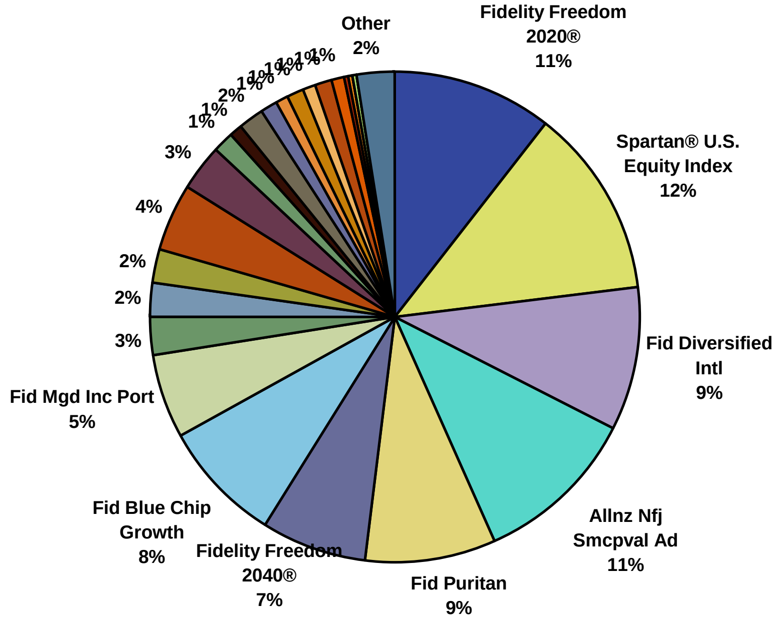
If your plan offers Asset Manager funds please note, the portfolio manager of each of the Asset Manager funds has the flexibility to periodically shift investments between the three asset classes, depending on the current outlook for the various markets. The risk level of the Asset Manager fund(s) cannot be portrayed as a single point on the objective spectrum along with the other investment options because it can change periodically according to how the assets are invested.

If your plan offers Fidelity Freedom Funds ® please note, the Fidelity Freedom Funds are not represented on the above spectrum because each fund (except Fidelity Freedom Income) will gradually adjust the asset allocation to be more conservative as the funds approach their target dates. The risk level of the Fidelity Freedom Funds cannot be portrayed as a single point on the objective spectrum along with the other investment options because they can change periodically according to how the assets are invested.

For a more complete discussion of risk associated with the mutual fund options, please read the prospectus before making your investment decision. The spectrum does not represent actual or implied performance.

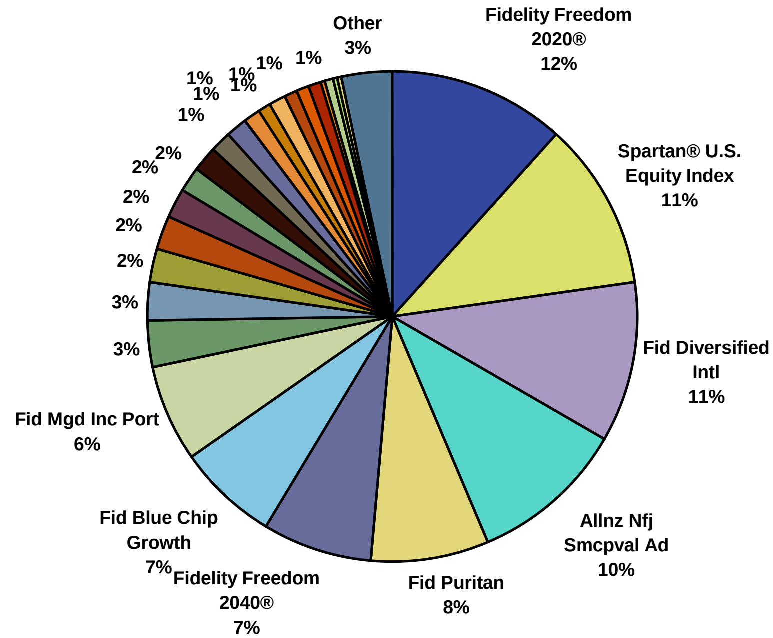
# Asset Allocation by Fund

## as of 10/1/2005




**Total Market Value: $15,850,641**

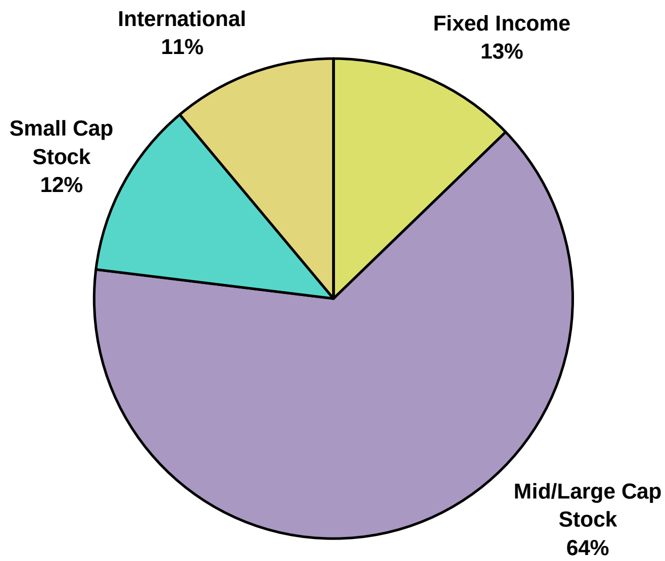
## as of 9/30/2006




**Total Market Value: $19,254,795**

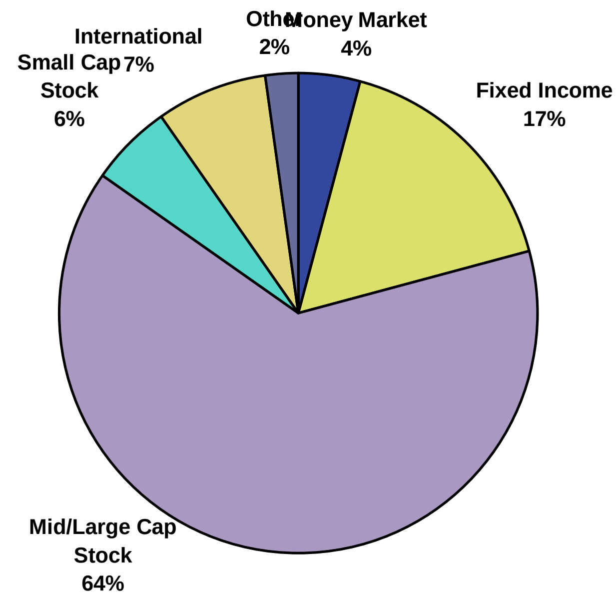
| | | | |
|---|---|---|---|
| Fidelity Freedom 2020® | Spartan® U.S. Equity Index | Fid Diversified Intl | Allnz Nfj Smcpval Ad |
| Fid Puritan | Fidelity Freedom 2040® | Fid Blue Chip Growth | Fid Mgd Inc Port |
| Fidelity Freedom 2010® | Mutual Shares Cl A | Drey Mid Cap Index | Valic Unall Fix Inc |
| Pimco Tot Return Adm | Fid Mid Cap Stock | Fidelity Freedom 2025® | Fidelity Freedom Income® |
| Fid Dividend Growth | Fidelity Freedom 2030® | Msi Sm Co Growth B | Fid Equity Income |
| Fidelity Freedom 2005® | Fidelity Freedom 2015® | Fid Growth Company | Dreyfus Sm Cap Stk |
| Spartan® Extended Market Index | Fidelity Freedom 2035® | Fidelity Freedom 2000® | Other |

## COMPENSATION COMPANION PLAN NORTH DAKOTA PERS




Total Market Value: $19,254,795

## AVG. FITSCO PUBLIC SECTOR*

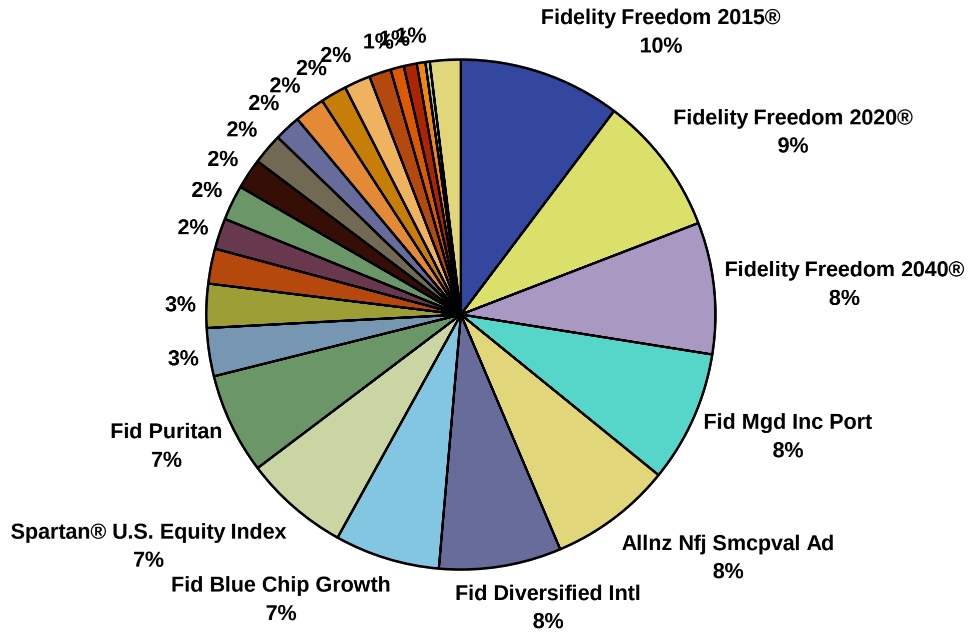



Average Market Value: $152,456,740

Money Market | Fixed Income | Mid/Large Cap Stock | Small Cap Stock | International | Other

# Contribution Allocation

## 10/1/2005 - 9/30/2006

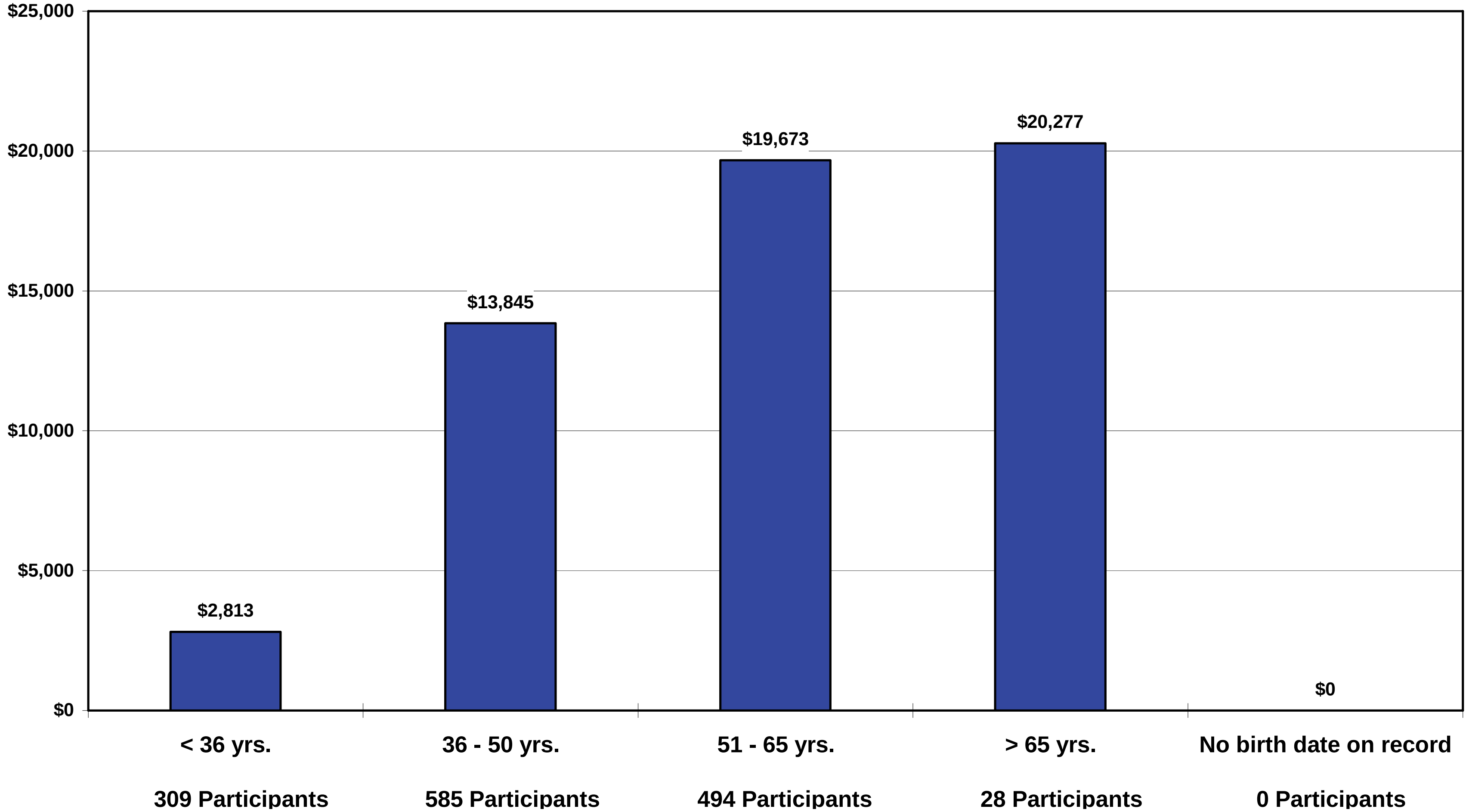



**Total Contributions: $2,884,282**

| | | | |
|---|---|---|---|
| Fidelity Freedom 2015® | Fidelity Freedom 2020® | Fidelity Freedom 2040® | Fid Mgd Inc Port |
| Allnz Nfj Smcpval Ad | Fid Diversified Intl | Fid Blue Chip Growth | Spartan® U.S. Equity Index |
| Fid Puritan | Drey Mid Cap Index | Fidelity Freedom 2030® | Pimco Tot Return Adm |
| Fidelity Freedom 2035® | Fid Mid Cap Stock | Fidelity Freedom 2025® | Mutual Shares Cl A |
| Fidelity Freedom 2010® | Dreyfus Sm Cap Stk | Fid Growth Company | Fid Equity Income |
| Msi Sm Co Growth B | Fidelity Freedom Income® | Fid Dividend Growth | Spartan® Extended Market Index |
| Fidelity Freedom 2000® | Fidelity Freedom 2005® | Other | |

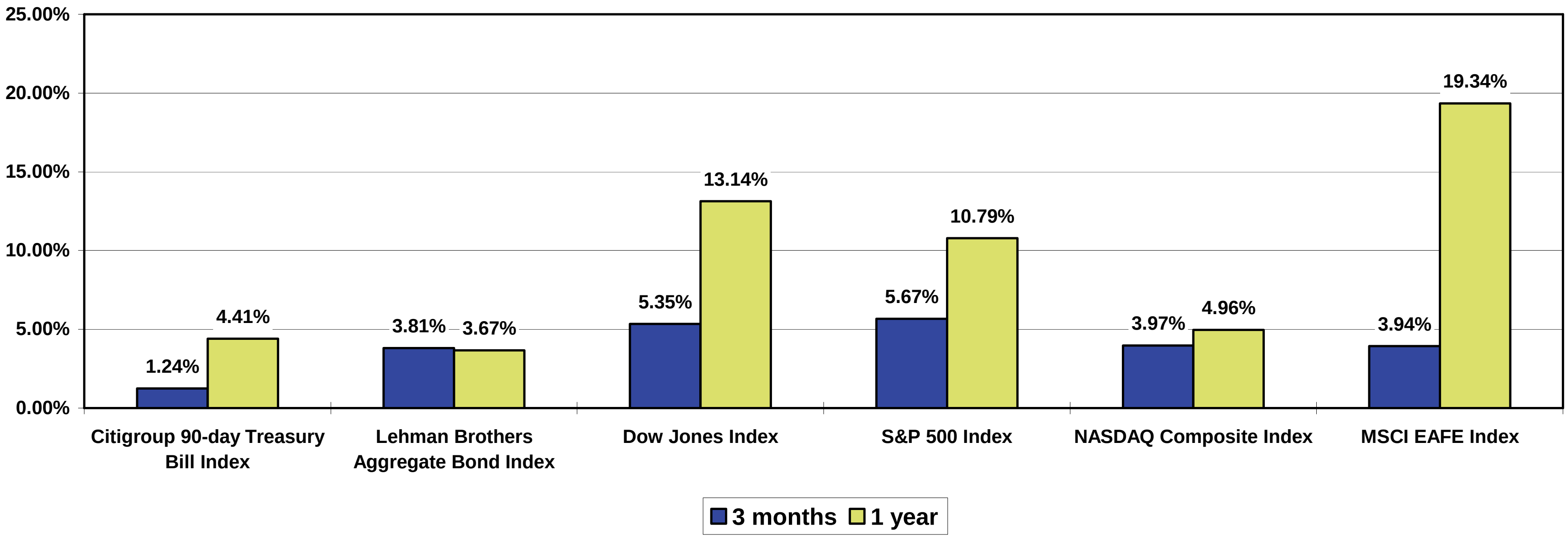
# Average Balance by Age

as of 9/30/2006



# Major Market Indices

**Cumulative Total Return %**
**Period Ending 9/30/2006**



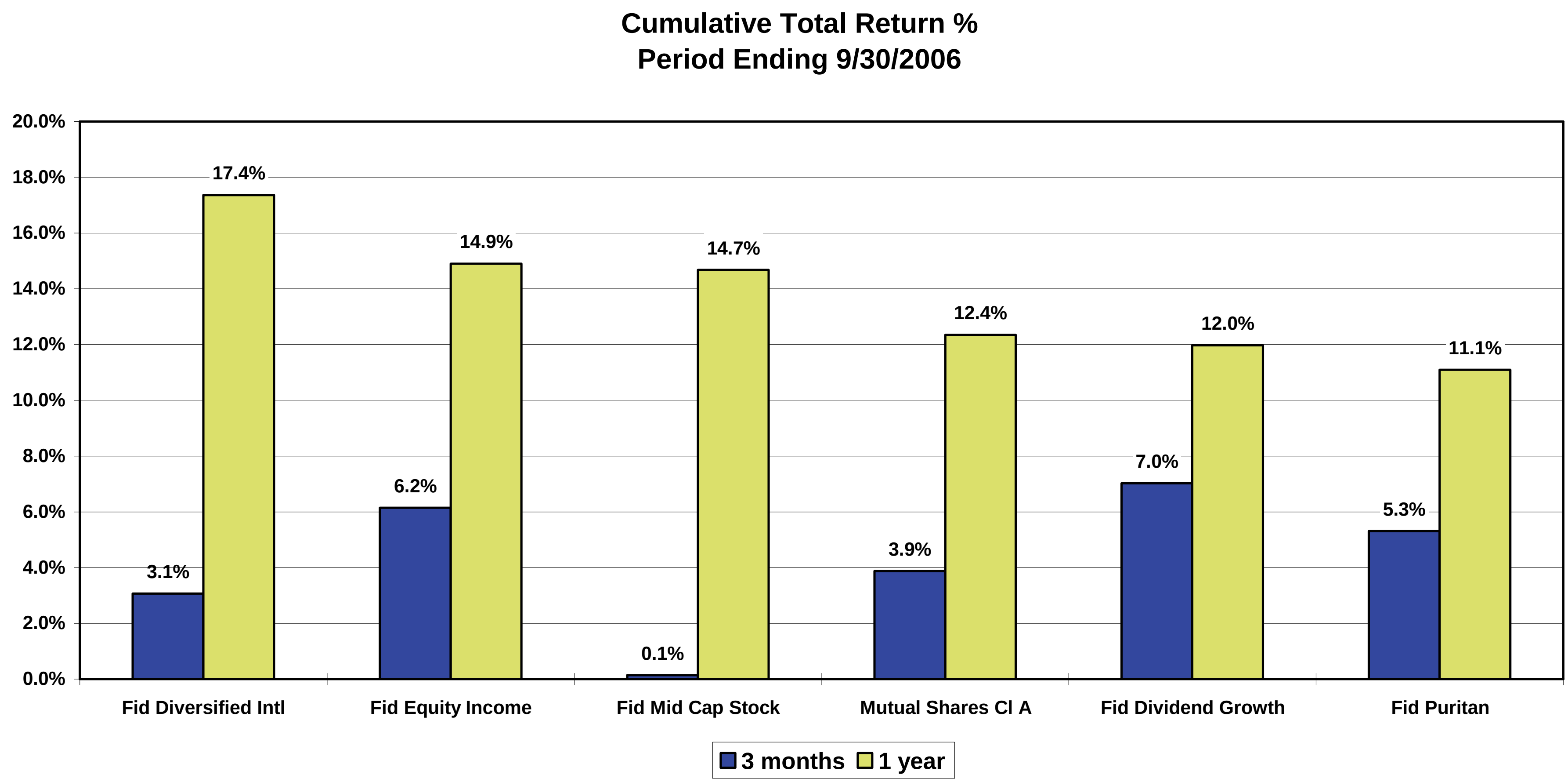

**Past performance is no guarantee of future results.**

***The Citigroup 90-day Treasury Bill Index represents the average of T-Bill rate s for each of the prior three months, adjusted to bond equivalent yield basis.**

***The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corpo rate, asset-backed, and mortgage-backed securities with maturities of at least one year. * The Dow Jones Industrial Average (Dow Jones) is an unmanaged index of common stocks of the 30 major industrial companies and assumes reinvestment of dividends.**

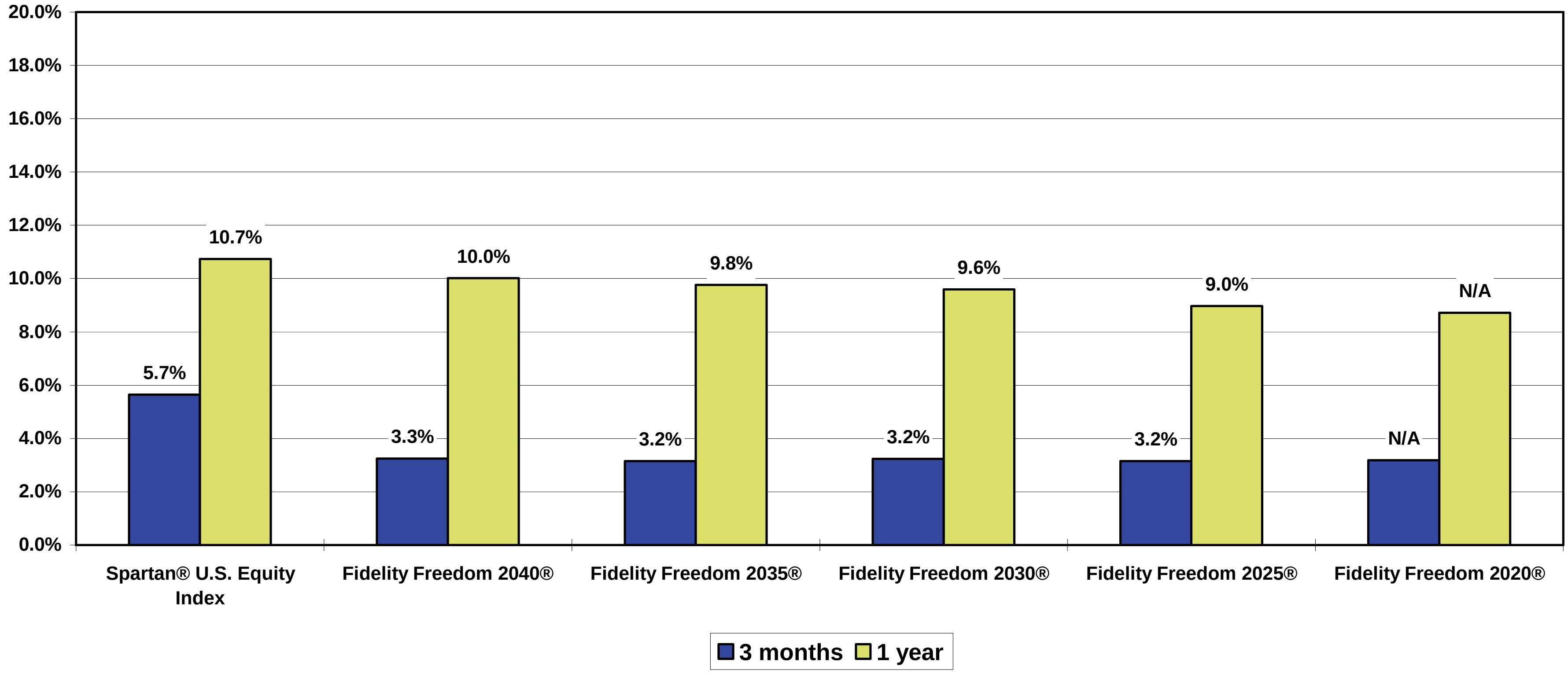
***The S&P 500 is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a widely recognized, unmanaged index of 500 U.S. common stocks. * The NASDAQ Composite Index (NASDAQ), is an unmanaged index of over-the counter stock prices, does not assume reinvestment of dividends. * The MSCI EAFE Index (Morgan Stanley Capital International Europe, Australasia, and Far East, Index) is an unmanaged index and includes the reinvestment of dividends. It is designed to represent the performance of developed stock markets outside the United States and Canada. The MSCI EAFE Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp.**

# Individual Fund Performance



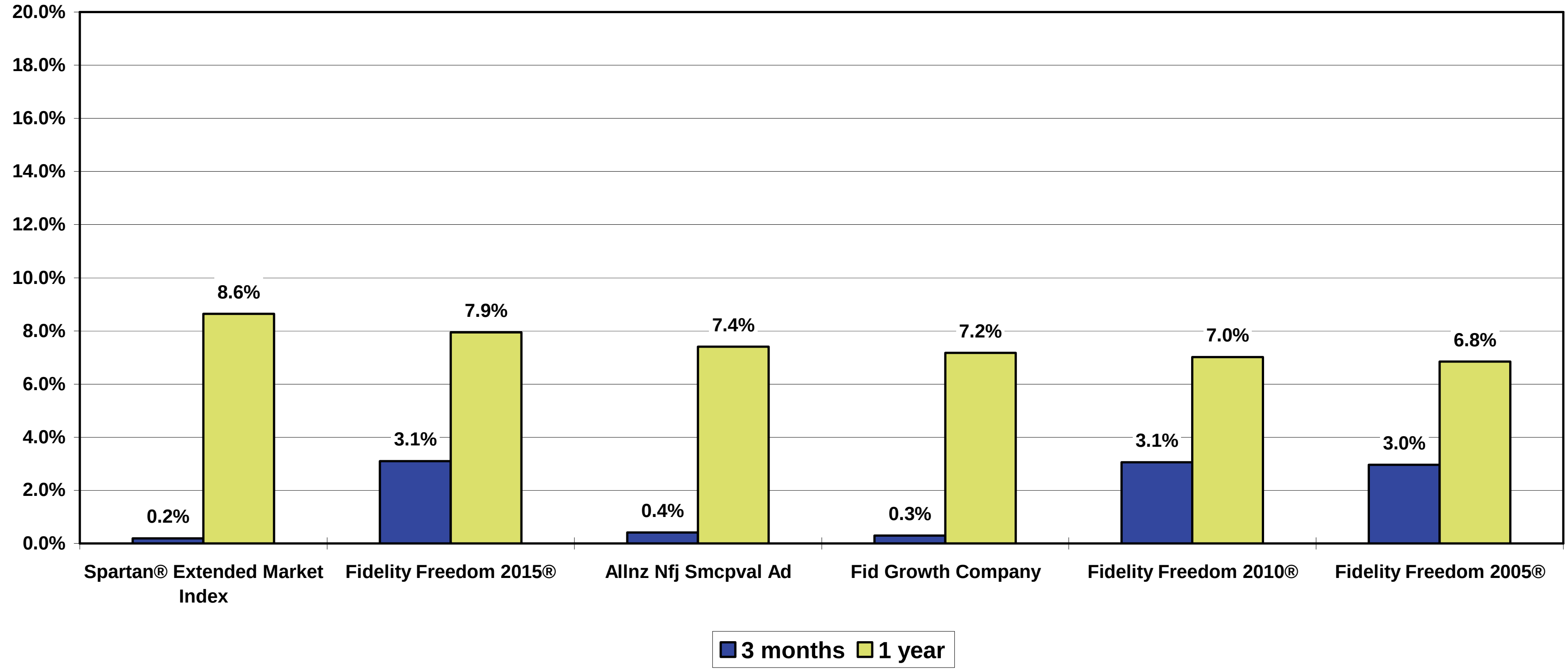
# Individual Fund Performance

**(Continued)**
**Cumulative Total Return %**
**Period Ending 9/30/2006**



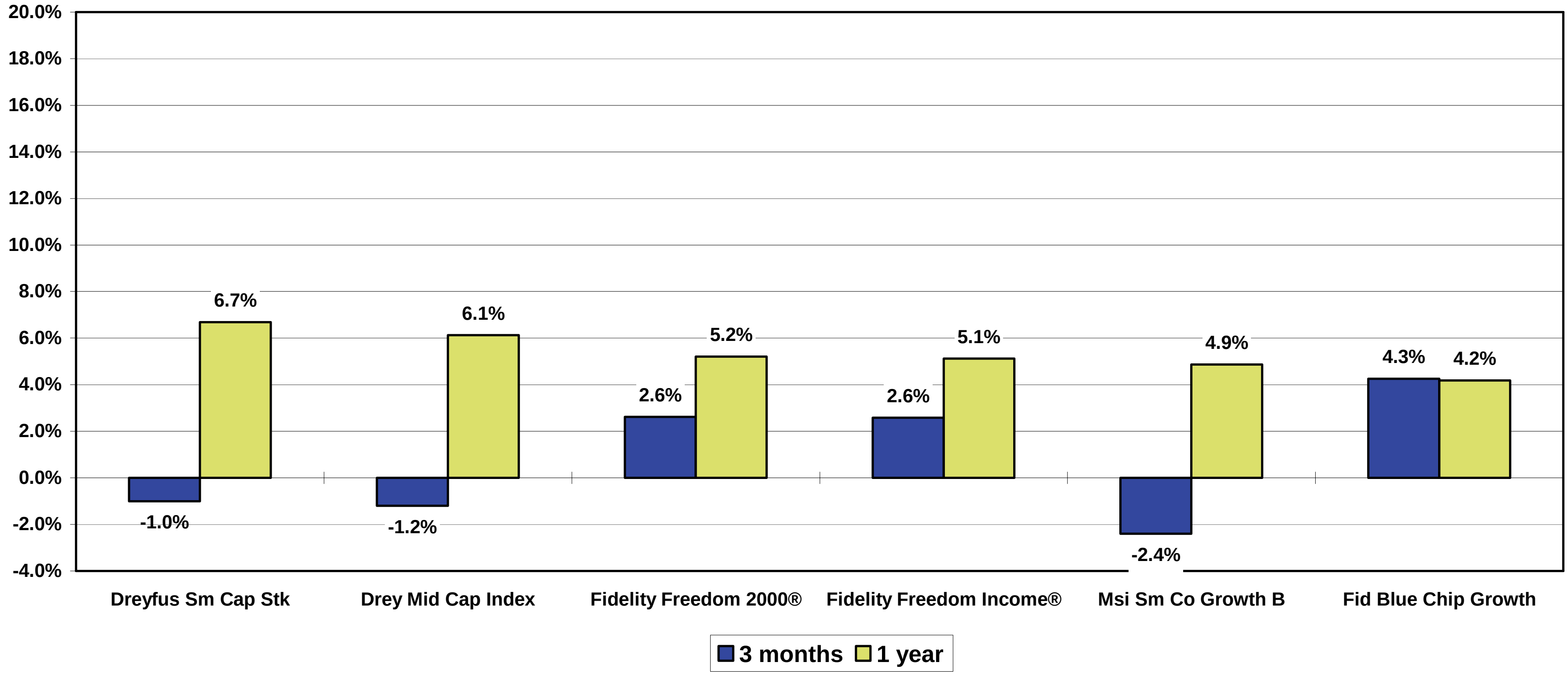
# Individual Fund Performance

**(Continued)**
**Cumulative Total Return %**
**Period Ending 9/30/2006**



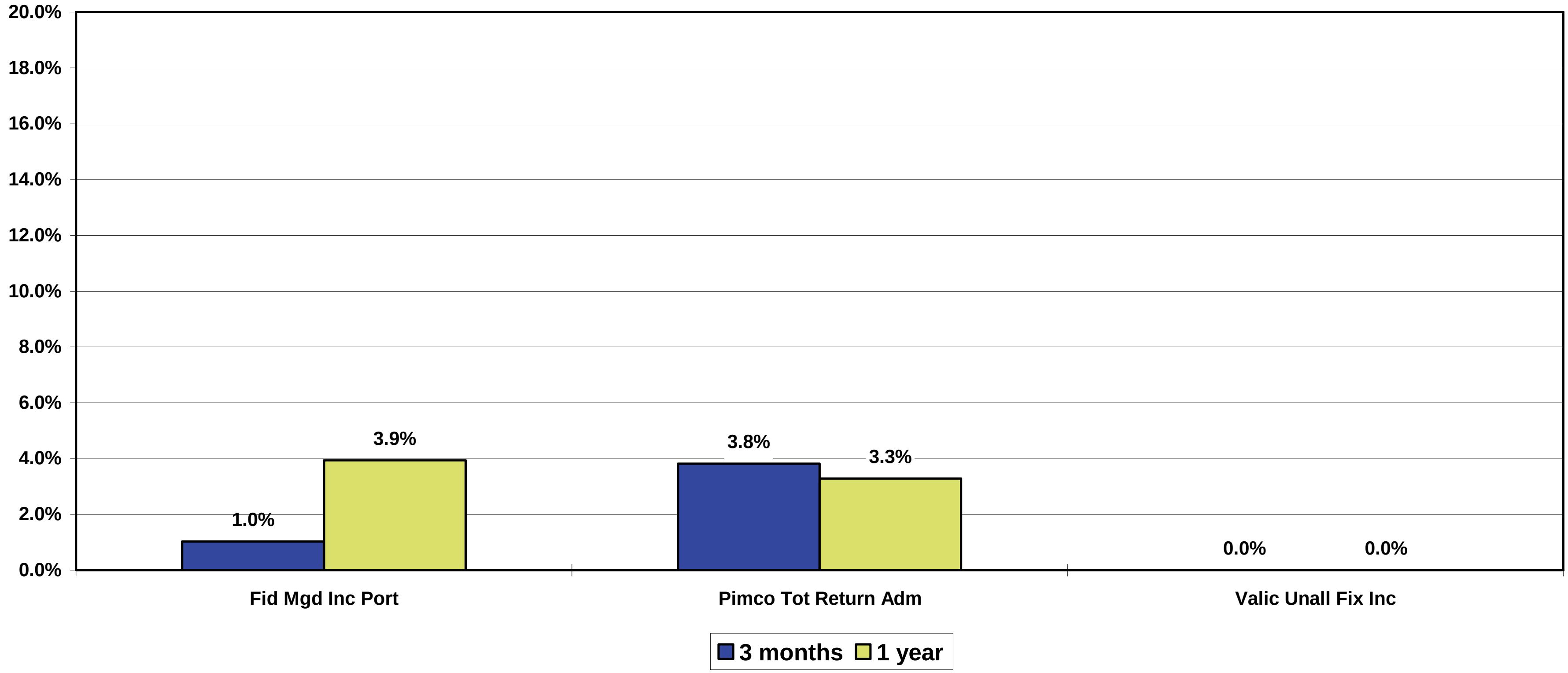
# Individual Fund Performance

**(Continued)**
**Cumulative Total Return %**
**Period Ending 9/30/2006**



# Individual Fund Performance

**(Continued)**
**Cumulative Total Return %**
**Period Ending 9/30/2006**



# Comparative Historical Performance

| *Fund Benchmark(s)* | *Average Annual Total Return % Period Ending 9/30/2006* 1 Year | 5 Years | 10 Years | Inception Date* | Short Term Trading Fee | Expense Ratio |
|---|---|---|---|---|---|---|
| **Fidelity Freedom 2020®** | **8.7%** | **8.1%** | **8.5%** | * 10/17/1996 | | 0.7 |
| Lipper Multi- Cap Core Funds Average | 8.4% | 7.4% | 8.2% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Spartan® U.S. Equity Index** | **10.7%** | **6.9%** | **8.4%** | | | 0.1 |
| Lipper S&P 500 Funds Average | 10.2% | 6.4% | 8.1% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Fid Diversified Intl** | **17.4%** | **17.2%** | **12.8%** | | 29 Days / 1.0% | 1.06 |
| Lipper International Funds Average | 18.1% | 13.5% | 7.4% | | | |
| MSCI EAFE Index | 19.3% | 14.5% | 7.0% | | | |
| **Allnz Nfj Smcpval Ad** | **7.4%** | **17.7%** | **13.8%** | | | 1.11 |
| **Fid Puritan** | **11.1%** | **8.2%** | **8.8%** | | | 0.62 |
| | | | | | | |
| **Fidelity Freedom 2040®** | **10.0%** | **8.9%** | **0.6%** | * 9/6/2000 | | 0.76 |
| Lipper Multi- Cap Core Funds Average | 8.4% | 7.4% | 8.2% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Fid Blue Chip Growth** | **4.2%** | **3.4%** | **5.8%** | | | 0.64 |
| Lipper Large Cap Growth Fund Avg | 3.5% | 3.6% | 5.4% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Fid Mgd Inc Port** | **3.9%** | **4.4%** | **5.1%** | | | |
| | | | | | | |
| ***Im First Tier Money Market*** | 4.4% | 2.1% | 3.7% | | | |

***recent average annual return data is published online each month end. Please visit PSW[SM] or call Fidelity for these most recent performance figures. Periods of market strength may not be repeated.***

***The performance data quoted represents past performance, which is no guarantee of future results. Share price, yield and return will vary and you may have a gain or loss when you sell your shares.***

***An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.***

**The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.**

**Please see Footnote pages for important legal information.**

***Return reflects life of fund from inception date shown.**

# Comparative Historical Performance

**(Continued)**

*Average Annual Total Return %*

*Period Ending 9/30/2006*

| *Fund Benchmark(s)* | 1 Year | 5 Years | 10 Years | Inception Date* | Short Term Trading Fee | Expense Ratio |
|---|---|---|---|---|---|---|
| **Fidelity Freedom 2010®** | **7.0%** | **6.7%** | **8.2%** | * 10/17/1996 | | 0.62 |
| Lipper Balanced Funds Average | 7.2% | 6.1% | 6.8% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Mutual Shares Cl A** | **12.4%** | **10.3%** | **11.1%** | * 11/1/1996 | 8 Days / 2.0% | 1.11 |
| Lipper Multi Cap Value Funds Avg | 11.1% | 9.9% | 9.4% | | | |
| Russell 3000 Index | 10.2% | 8.1% | 8.7% | | | |
| **Drey Mid Cap Index** | **6.1%** | **12.5%** | **12.8%** | | | 0.5 |
| **Valic Unall Fix Inc** | | | | | | |
| **Pimco Tot Return Adm** | **3.3%** | **5.1%** | **6.9%** | | 7 Days / 2.0% | 0.68 |
| Lipper Intermediate Investment Grade Debt Avg | 3.2% | 4.2% | 5.7% | | | |
| Lehman Brothers Aggregate Bond Index | 3.7% | 4.8% | 6.4% | | | |
| **Fid Mid Cap Stock** | **14.7%** | **10.2%** | **12.2%** | | 29 Days / 0.75% | 0.72 |
| Lipper Multi- Cap Core Funds Average | 8.4% | 7.4% | 8.2% | | | |
| S&P Midcap 400 Index | 6.6% | 13.1% | 13.4% | | | |
| **Fidelity Freedom 2025®** | **9.0%** | **N/A** | **9.8%** | * 11/6/2003 | | 0.72 |
| **Fidelity Freedom Income®** | **5.1%** | **4.2%** | **5.8%** | * 10/17/1996 | | 0.51 |
| Lipper Income Funds Avg | 6.6% | 6.2% | 6.4% | | | |
| Lehman Brothers Aggregate Bond Index | 3.7% | 4.8% | 6.4% | | | |
| **Fid Dividend Growth** | **12.0%** | **5.4%** | **10.1%** | | | 0.61 |
| Lipper Large- Cap Core Funds Average | 8.7% | 5.5% | 6.8% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |

**The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.**

***Return reflects life of fund from inception date shown.**

# Comparative Historical Performance

**(Continued)**

*Average Annual Total Return %*

*Period Ending 9/30/2006*

| *Fund Benchmark(s)* | 1 Year | 5 Years | 10 Years | Inception Date* | Short Term Trading Fee | Expense Ratio |
|---|---|---|---|---|---|---|
| **Fidelity Freedom 2030®** | **9.6%** | **8.5%** | **8.4%** | * 10/17/1996 | | 0.74 |
| Lipper Multi- Cap Core Funds Average | 8.4% | 7.4% | 8.2% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |
| **Msi Sm Co Growth B** | **4.9%** | **13.9%** | **12.4%** | | 30 Days / 2.0% | 1.29 |
| Lipper Mid-Cap Growth Funds Average | 4.9% | 8.4% | 6.8% | | | |
| Russell 2000 Growth Index | 5.9% | 10.2% | 4.0% | | | |
| **Fid Equity Income** | **14.9%** | **9.1%** | **9.5%** | | | 0.69 |
| Lipper Equity Income Funds Average | 11.7% | 8.3% | 8.9% | | | |
| Russell 3000 Value Index | 14.6% | 11.2% | 11.3% | | | |
| **Fidelity Freedom 2005®** | **6.8%** | **N/A** | **7.0%** | * 11/6/2003 | | 0.62 |
| **Fidelity Freedom 2015®** | **7.9%** | **N/A** | **8.5%** | * 11/6/2003 | | 0.67 |
| **Fid Growth Company** | **7.2%** | **8.2%** | **9.0%** | | | 0.96 |
| Lipper Multi- Cap Growth Funds Average | 4.9% | 6.8% | 6.7% | | | |
| Russell 3000 Growth Index | 6.1% | 4.8% | 5.3% | | | |
| **Dreyfus Sm Cap Stk** | **6.7%** | **14.6%** | **9.9%** | * 6/30/1997 | | 0.5 |
| **Spartan® Extended Market Index** | **8.6%** | **14.0%** | **6.9%** | * 11/5/1997 | 89 Days / 0.75% | 0.1 |
| Lipper Mid Cap Core Funds Avg | 7.3% | 11.8% | 9.8% | | | |
| Dow Jones Wilshire 4500 Completion Index | 8.6% | 14.2% | 9.1% | | | |
| **Fidelity Freedom 2035®** | **9.8%** | **N/A** | **10.7%** | * 11/6/2003 | | 0.75 |
| **Fidelity Freedom 2000®** | **5.2%** | **4.7%** | **6.8%** | * 10/17/1996 | | 0.52 |
| Lipper Income Funds Avg | 6.6% | 6.2% | 6.4% | | | |
| S&P 500 Index | 10.8% | 7.0% | 8.6% | | | |

**The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.**

***Return reflects life of fund from inception date shown.**